

FINANCIAL SUMMARY

Taxable Assessed Value - as of July 1, 2010			\$ 12,008,399,297
General Obligation Long-Term Debt (Includes the Obligations)			\$ 137,776,739
Revenue Debt			\$ --
Overlapping General Obligation Debt			\$ 152,145,274
Population (2010 Estimate)			62,476
<b>Debt Ratios:</b>			
	<u>Amount</u>	<u>Debt Per Capita (62,476)</u>	<u>% of Taxable Assessed Value</u>
General Obligation Long-Term Debt	\$ 137,776,739	\$ 2,205	1.15%
Overlapping Debt	<u>152,145,274</u>	<u>2,435</u>	<u>1.27%</u>
Total	<u>\$ 289,922,013</u>	<u>\$ 4,640</u>	<u>2.42%</u>

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## INDEBTEDNESS OF THE ISSUER

### *Authorization of Debt*

The Issuer has the authority to issue general obligation bonds or bond anticipation notes upon a majority vote. General Obligation Bonds and Bond Anticipation Notes are issued to finance public improvements including the acquisition of land for public purposes, construction of significant facilities, nonrecurring rehabilitation or major repair of facilities and engineering, design, and planning work related to projects as set forth in the Issuer's Capital Improvement Program.

General obligation debt of the Issuer is divided, for the purposes of the following schedules, between debt that is primarily paid from the Issuer's tax levy and special assessment collections and debt that is paid from the revenues of the Issuer's water, sanitary sewer, stormwater, parking, golf and refuse enterprise funds. Though various sources of revenue are used to pay debt service, the Issuer's general obligation bonds are all backed by the Issuer's full faith, credit and taxing power.

### *Debt History*

Table 15 presents the Issuer's historical summary of bonded indebtedness for the past five years.

**Table 15**  
**Historical Summary of Bonded Indebtedness**

<u>Fiscal Year Ended June 30</u>	<u>Total Bonded Debt<sup>(1)</sup></u>	<u>Enterprise</u>	<u>Net Bonded Debt</u>	<u>Adjusted Net Bonded Debt<sup>(2)</sup></u>
2010	\$ 110,416,737	\$ 73,685,966	\$ 36,730,771	\$ 34,253,940
2009	118,054,130	77,859,325	40,194,802	37,043,018
2008	112,498,242	68,836,288	43,661,954	39,515,693
2007	99,040,566	61,234,530	37,806,036	35,111,065
2006	105,504,220	63,592,756	41,911,464	38,310,272

(1) Includes general obligation bonds and the Enterprise Fund debt.

(2) The net bonded debt is reduced by the amount of equity in the Debt Service Fund for the purpose of calculating the ratio and per capita figures in the following table.

Table 16 presents debt statistics for the past five years.

**Table 16**  
**Five Year Debt Statistics**

<u>Fiscal Year Ending June 30</u>	<u>Population<sup>(1)</sup></u>	<u>Taxable Assessed Value</u>	<u>Adjusted Net Bonded Debt</u>	<u>Adjusted Net Bonded Debt to Assessed Value</u>	<u>Adjusted Net Bonded Debt Per Capita</u>
2010	62,476	\$ 12,008,399,297	\$ 34,253,940	0.29%	\$ 548
2009	64,860	11,515,493,135	37,043,018	0.32%	571
2008	63,170	10,536,940,794	39,515,693	0.38%	626
2007	61,030	9,396,506,804	35,111,065	0.37%	575
2006	59,887	7,941,275,256	38,310,272	0.48%	640

(1) Provided by the City of Rockville Department of Community Planning and Development Services.

### *Debt Limit*

There are no statutory or Charter provisions limiting the amount of general obligation debt that may be issued by the Issuer.

### General Obligation Long-Term Debt

The table below summarizes the outstanding debt of the Issuer as of June 30, 2010 and upon the issuance of the Obligations described herein.

**Table 17**  
**General Obligation**  
**Debt Outstanding by Issue**

<b>General Fund</b>	<b>Issue Date</b>	<b>Interest Range Outstanding</b>	<b>Final Maturity Date</b>	<b>Principal Outstanding</b>
General Improvements	1998	4.30%	2013	\$ 470,000
General Improvements	2001	4.00%	2011	170,617 <sup>(1)</sup>
General Improvements	2003	2.85% - 3.875%	2023	6,570,039
General Improvements – refunding	2003	2.80% - 3.00%	2013	809,286
General Improvements	2004	4.00% - 5.00%	2029	7,980,000
Community Energy Loan Program	2005	2.00%	2012	178,467
General Improvements	2005	3.50% - 4.375%	2036	10,405,000
General Improvements	2007	4.00% - 4.25%	2027	8,840,000
General Improvements	2010	2.00% - 4.10%	2031	17,610,000
General Improvements— refunding	2011	2.00% - 3.00%	2021	1,339,424
<b>Total General Fund Bonds</b>				<b>\$ 54,372,833</b>
<b>Business Type Activity</b>				
General Improvements	1999	4.30%	2019	\$ 1,476,098 <sup>(2)</sup>
General Improvements	2000	3.21%	2020	1,175,569 <sup>(2)</sup>
General Improvements	2001	4.00%	2011	134,383 <sup>(1)(3)</sup>
General Improvements	2002	1.90%	2023	2,421,658 <sup>(2)</sup>
General Improvements	2003	2.20% - 3.875%	2023	2,134,961 <sup>(4)</sup>
General Improvements – refunding	2003	2.20% - 3.00%	2013	330,714 <sup>(5)</sup>
General Improvements	2004	4.00% - 5.00%	2029	6,155,000 <sup>(6)</sup>
General Improvements	2005	0%	2036	1,089,947 <sup>(7)</sup>
General Improvements	2005	3.50% - 4.375%	2036	36,685,000 <sup>(8)</sup>
General Improvements	2007	4.00% - 4.25%	2027	8,850,000 <sup>(9)</sup>
General Improvements	2008	3.00% - 4.50%	2028	11,490,000 <sup>(2)</sup>
General Improvements	2010	2.00% - 4.10%	2031	9,760,000 <sup>(5)</sup>
General Improvements— refunding	2011	2.00% - 3.00%	2021	1,700,576 <sup>(3)</sup>
<b>Total Business Type Activity Bonds</b>				<b>\$ 83,403,906</b>
<b>Total General Obligation Bonds</b>				<b>\$ 137,776,739</b>

<sup>(1)</sup> The Bonds maturing in the years 2012 through 2021 will be called for redemption on March 15, 2011, and will be current refunded by the General Obligation Refunded Bonds, Series 2011 contained herein. Therefore, those maturities have not been included in calculating the outstanding debt.

<sup>(2)</sup> This portion represents the amount abated with funds from the water fund.

<sup>(3)</sup> This portion represents the amount abated with funds from the sanitary sewer fund.

<sup>(4)</sup> This portion represents the amount abated with funds from the sanitary sewer and golf course funds.

<sup>(5)</sup> This portion represents the amount abated with funds from the water and sanitary sewer funds.

<sup>(6)</sup> This portion represents the amount abated with funds from the parking, sanitary sewer, and refuse funds.

<sup>(7)</sup> This portion represents the amount abated with funds from the storm water fund.

<sup>(8)</sup> This portion represents the amount abated with funds from the parking, water, sanitary sewer, and refuse funds.

<sup>(9)</sup> This portion represents the amount abated with funds from the water, sanitary sewer and refuse funds.

As indicated in the table on the previous page, portions of the Issuer's general obligation debt service are being paid with revenues of the sewer, water, refuse and parking funds. The schedules on the following page report annual debt service payments for the Issuer's general obligation debt by source of payment. The following table presents the portion of the Issuer's debt service, including debt service on a portion of the Bonds, which is being paid through the tax levy and special assessments. The second table following presents the portion of the Issuer's debt service, including debt service on a portion of the Bonds, which is being paid with revenues of Issuer enterprise funds.

General obligation debt of the Issuer is divided, for the purposes of the following schedules, between debt that is primarily paid from the Issuer's tax levy and special assessment collections and debt that is paid from the revenues of the Issuer's water, sanitary sewer and refuse enterprise funds. Though various sources of revenue are used to pay debt service, the Issuer's general obligation bonds are all backed by the Issuer's full faith, credit and taxing power.

Table 18 presents the annual principal and interest payments for the Issuer's general obligation bonds, including the Bonds.

**Table 18**  
**General Obligation Debt**  
**Schedule of Annual Maturities**

<u>Fiscal Year</u>	<u>Outstanding Debt</u>		<u>Series 2010 Bonds</u>		<u>Series 2011 Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal<sup>(1)</sup></u>	<u>Interest<sup>(2)</sup></u>	<u>Principal<sup>(1)</sup></u>	<u>Interest<sup>(2)</sup></u>	
2011	\$ 6,500,000	\$ 2,027,373	\$ --	\$ 381,235	\$ --	\$ --	\$ 8,908,608
2012	6,180,000	3,825,345	1,580,000	863,173	320,000	90,001	12,858,519
2013	5,985,000	3,606,955	1,580,000	831,572	320,000	68,950	12,392,477
2014	5,640,000	3,383,216	1,580,000	799,973	320,000	62,550	11,785,739
2015	5,650,000	3,170,579	1,580,000	752,572	320,000	56,150	11,529,301
2016	5,670,000	2,965,191	1,575,000	705,173	305,000	49,750	11,270,114
2017	5,700,000	2,736,366	1,575,000	657,922	300,000	43,650	11,012,938
2018	5,215,000	2,504,801	1,575,000	610,673	300,000	34,650	10,240,124
2019	4,905,000	2,295,951	1,575,000	563,422	290,000	25,650	9,655,023
2020	4,945,000	2,098,791	1,570,000	516,173	285,000	16,950	9,431,914
2021	4,985,000	1,898,426	1,570,000	469,072	280,000	8,400	9,210,898
2022	5,020,000	1,694,920	1,165,000	421,973	--	--	8,301,893
2023	5,060,000	1,488,915	1,165,000	387,022	--	--	8,100,937
2024	4,440,000	1,276,646	1,160,000	349,160	--	--	7,225,806
2025	3,790,000	1,084,496	1,160,000	310,010	--	--	6,344,506
2026	2,635,000	924,640	1,160,000	269,410	--	--	4,989,050
2027	2,695,000	810,478	1,160,000	227,360	--	--	4,892,838
2028	1,925,000	693,675	1,160,000	184,440	--	--	3,963,115
2029	1,515,000	608,350	1,160,000	140,360	--	--	3,423,710
2030	1,580,000	541,525	1,160,000	93,960	--	--	3,375,485
2031	1,645,000	474,375	1,160,000	47,560	--	--	3,326,935
2032	1,715,000	404,463	--	--	--	--	2,119,463
2033	1,790,000	331,575	--	--	--	--	2,121,575
2034	1,865,000	255,500	--	--	--	--	2,120,500
2035	1,945,000	173,906	--	--	--	--	2,118,906
2036	2,030,000	88,813	--	--	--	--	2,118,813
Total	<u>\$ 101,025,000</u>	<u>\$ 41,365,271</u>	<u>\$ 27,370,000</u>	<u>\$ 9,582,215</u>	<u>\$ 3,040,000</u>	<u>\$ 456,701</u>	<u>\$ 173,930,579</u>

Table 19 reflects estimated net tax requirements for debt service of the Issuer's long-term obligations as of June 30, 2010. This table does not include the issuance of the Obligations described herein.

**Table 19**  
**General Obligation Debt**  
**Issuer Net Requirement Analysis**

<u>Fiscal Year June 30</u>	<u>Total General Obligation Debt Service Requirements</u>	<u>Debt Service Paid By Other Business Funds<sup>(1)</sup></u>	<u>Direct Issuer Debt Service Obligations<sup>(2)</sup></u>
2011	\$ 8,527,373	\$ 6,967,925	\$ 1,559,448
2012	10,005,345	6,854,023	3,151,322
2013	9,591,955	6,681,878	2,910,077
2014	9,023,216	6,521,728	2,501,488
2015	8,820,579	6,398,327	2,422,252
2016	8,635,191	6,289,871	2,345,320
2017	8,436,366	6,168,565	2,267,801
2018	7,719,801	5,457,235	2,262,566
2019	7,200,951	5,093,600	2,107,351
2020	7,043,791	4,821,931	2,221,860
2021	6,883,426	4,600,393	2,283,033
2022	6,714,920	4,354,879	2,360,041
2023	6,548,915	4,289,989	2,258,926
2024	5,716,646	3,905,847	1,810,799
2025	4,874,496	3,643,048	1,231,448
2026	3,559,640	2,995,439	564,201
2027	3,505,478	2,963,377	542,101
2028	2,618,675	2,618,675	--
2029	2,123,350	2,123,350	--
2030	2,121,525	2,121,525	--
2031	2,119,375	2,119,375	--
2032	2,119,463	2,119,463	--
2033	2,121,575	2,121,575	--
2034	2,120,500	2,120,500	--
2035	2,118,906	2,118,906	--
2036	<u>2,118,813</u>	<u>2,118,813</u>	<u>--</u>
Total	<u>\$ 142,390,271</u>	<u>\$ 107,590,237</u>	<u>\$ 34,800,034</u>

(1) Reflects debt issued by the Issuer but paid through the sewer, water, refuse, parking and golf course funds.

(2) Portion of debt paid directly by general fund monies.

### ***General Obligation Short-Term Debt***

The Issuer currently has no short-term debt outstanding. The Issuer has not borrowed for cash flow purposes in the last ten years.

### ***Revenue Debt***

The Issuer has no revenue debt outstanding.